



## Recommendation for Action

**File #:** 23-1765, **Agenda Item #:** 15.

5/18/2023

### **Posting Language**

Authorize negotiation and execution of a contract for vehicle rental services with Enterprise Holdings, Inc. d/b/a EAN Services LLC, for a term of five years in an amount not to exceed \$5,950,000.

[Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program). For the services required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established].

### **Lead Department**

Financial Services Department.

### **Client Department(s)**

Fleet Mobility Services.

### **Fiscal Note**

Funding in the amount of \$495,833 is available in the Fiscal Year 2022-2023 Operating Budget of Fleet Mobility Services. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

Multiple cooperative purchase programs were reviewed for these services. The Financial Services Department has determined this contractor best meets the needs of the department to provide the services required at the best value for the City.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500.

### **Additional Backup Information:**

The contract will provide vehicle rental services including passenger vehicles, vans, and other light to heavy duty vehicles. Rental and leasing of vehicles are governed by the City's Administrative Bulletin 85-06 which states that all City departments rent or lease vehicles and equipment through Fleet Mobility Services.

Rental vehicles supplement the City-owned fleet and provide City departments with alternative transportation to meet operational needs on an as-needed basis or for emergencies. Rentals allow departments to meet business needs until a new vehicle can be purchased through the vehicle acquisition process for long-term needs. They also keep the department's cost of doing business down by not having to purchase vehicles for short-term projects (e.g., Parks and Recreation Department's rentals for Spring Break and Summer Youth Programs).

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The previous contract for these services was terminated due to lack of vehicle inventory. The recommended contractor is not the previous provider of vehicle rental services and has a fleet of available alternative fuel and hybrid vehicles, which is in line with the citywide objective of achieving carbon neutrality by 2040. The requested authorization amount is based on historical spend as well as departmental estimates for future needs.

The Texas SmartBuy cooperative establishes competitively bid contracts that can be utilized by the State and other government agencies through a cooperative agreement. Cooperative agreements save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of contracts through a streamlined cooperative purchasing program.

If the City is unable to secure a contract, the City will not have a reliable source for vehicle rentals, forcing the City to procure rentals on the open market, which may result in higher prices, increased operational costs associated with spot purchases, and potential delays in City operations.